

Policy

For

Determining Material Subsidiaries

Of

Everest Industries Limited

Version 1.1/2026

LEGAL FRAMEWORK

Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires a Company to formulate a policy for determining ‘material subsidiary’ of the Company. Further, Regulation 24 of Listing Regulations extends certain principles of corporate governance with respect to subsidiaries of listed companies. In order to comply with the said requirements of Listing Regulations, this policy is formulated.

DEFINITIONS

1. “Audit Committee”

Audit Committee means the committee formed under Section 177 of the Companies Act, 2013 and Listing Regulations.

2. “Company” means Everest Industries Limited

3. “Holding Company”

Holding company in relation to one or more other companies, means a company of which such companies are subsidiaries companies.

4. “Material Subsidiary”

A subsidiary shall be considered material if, its turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

5. “Subsidiary”

Subsidiary in relation to any other company (that is to say the holding company), means a company in which the holding company-

- i. Controls the composition of the Board of Directors; or
- ii. Exercises or controls more than one half of the total voting power either at its own or together with one or more of its subsidiary companies;

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation- For the purpose of this definition,-

- a. A Company shall be deemed to be a subsidiary Company of the holding Company even if the control referred to in clause (i) or (ii) above is of another subsidiary Company of the holding Company;
- b. The composition of a Company's Board of Directors shall be deemed to be controlled by another Company if that other Company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- c. The expression "Company" includes any body corporate;
- d. "Layer" in relation to a holding Company means its subsidiary or subsidiaries.

6. "Significant transaction or arrangement"

Any individual significant transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

All the words and expressions used in this policy, unless defined above, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the rules, notifications and circulars made/ issued thereunder, as amended from time to time.

PURPOSE OF THE POLICY

This policy will be used to determine the material subsidiaries of the Company and to provide the governance framework for unlisted subsidiaries.

IDENTIFICATION OF MATERIAL SUBSIDIARY

Subsidiary shall be considered material if it complies with the criteria specified in the definition of material subsidiary in clause 4.

GOVERNANCE FRAMEWORK WITH REGARD TO SUBSIDIARIES

- ✓ The Audit Committee of the listed holding Company shall review the financial statements, in particular the investments made by the unlisted subsidiary;

- ✓ The minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board meeting of the listed Holding Company;
- ✓ The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the listed Holding Company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary;
- ✓ The Company shall also comply with the provisions of the Companies Act, 2013 and the rules made thereunder with regard to subsidiaries.

PROVISIONS WITH REGARD TO UNLISTED MATERIAL SUBSIDIARIES

- ✓ At least one independent director on the Board of Directors of the holding Company shall be a director on the Board of Directors of an **unlisted material subsidiary(ies)** whether incorporated in India or not;

For the above stated purpose only, “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- ✓ The Company shall not dispose of shares in its **material subsidiary** which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;
- ✓ The Company shall not sell, dispose & lease assets amounting to more than 20% of the assets of the **material subsidiary** on an aggregate basis during a financial year unless prior approval of shareholders by way of special resolution in its General Meeting is obtained except in case the sale/disposal/lease is made under a scheme of

arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

Nothing contained in the above clause shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

- ✓ All material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a peer reviewed and shall annex with its Annual Report, such Secretarial Audit Report, given by a company secretary in practice

AMENDMENTS

The Board of Directors may review or amend this policy, in whole or in part, from time to time as per the requirement of the Listing Regulations.

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this Policy is amended to conform to the applicable law, rule, regulation or standard.

This Policy shall come into force with effect from February 6, 2026 in supersession of earlier policy adopted by the Board on March 26, 2019.